



## FISCAL MEMORANDUM

### SB 1906 - HB 1973

March 23, 2022

**SUMMARY OF BILL AS AMENDED (015898):** Requires the Division of TennCare (Division) to create a pilot program that provides remote patient monitoring services (RPM) for maternal health. Authorizes the Division to seek a federal waiver if necessary to implement the program. Effective July 1, 2022 to June 30, 2025.

### FISCAL IMPACT OF BILL AS AMENDED:

**Increase State Expenditures – \$21,667,700/Each Year FY22-23 through FY24-25**

**Increase Federal Expenditures – \$42,371,600/Each Year FY22-23 through FY24-25**

Assumptions for the bill as amended:

- According to information gathered from the Division's managed care organizations (MCO), the average annual cost per enrollee in the pilot program will be \$2,530, which will cover additional payments to OB/GYN providers and RPM device costs.
- On average, TennCare covers 42,186 pregnancies, which is assumed to remain consistent.
- Pursuant to the proposed legislation, the pilot program would cover high-risk pregnancies, which is about 50 percent of pregnancies, or 21,093 (42,186 x 50%) pregnancies.
- The pilot program also covers women who reside in a county without a contracted TennCare OB/GYN or who lack reliable transportation. It is assumed that this is about 20 percent of the overall pregnant population. However, for the purpose of this analysis, it will be assumed that half of the women who lack reliable transportation are already covered by the program due to them having a high-risk pregnancy. Therefore, an additional 4,219 [42,186 x (20% / 2)] will be covered by the program.
- The assumed cost of the program would be \$64,039,360 [\$2,530 x (21,093 + 4,219)] annually.
- Medicaid expenditures receive matching funds at a rate of 66.165 percent federal funds to 33.835 percent state funds. Of this amount \$21,667,717 (\$64,039,360 x 33.835%) will be in state funds and \$42,371,643 (\$64,039,360 x 66.165%) will be in federal funds.

## **IMPACT TO COMMERCE OF BILL AS AMENDED:**

**Increase Business Revenue – \$64,039,400/Each Year FY22-23 through FY24-25**

**Increase Business Expenditures –**

**Less than \$64,039,400/Each Year FY22-23 through FY24-25**

Assumptions for the bill as amended:

- The proposed legislation will not increase the number of OB/GYNs contracted with TennCare, it will merely change the means they use to interact with certain patients.
- Businesses would see an increase in revenue related to the program of \$64,039,360 in FY22-23 through FY24-25.
- The increase in business expenditures is estimated to be less than those amounts for companies to retain solvency.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/cd